

Covington, Kentucky

ANNUAL ACTION PLAN

2017 – 2018



Presented to U.S. Department of Housing and Urban Development
Louisville Office of Community Planning and Development
Approved by Covington City Commission:
Approved by the U.S. Department of Housing and Urban Development:

Executive Summary

AP-05 Executive Summary - 91.200(c), 91.220(b)

1. Introduction

The 2017-2018 City of Covington, Kentucky Annual Action Plan is the result of a collaborative process to identify housing and community development needs. This plan is the fifth of five annual plans implementing the 2013-2018 Consolidated Plan. The five year Consolidated Plan creates strategies and sets goals for the investment of the City's annual allocations of Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funds from the U.S. Department of Housing and Urban Development (HUD). This Annual Action Plan identifies available resources, sets annual goals, and outlines projects and activities for the period beginning July 1, 2017 and ending June 30, 2018. The creation of an Annual Action Plan is required to outline how these funds will be utilized. This plan will also demonstrate to HUD, Covington's plans to effectively and efficiently utilize the federal resources that are provided.

The City of Covington, Kentucky is an entitlement jurisdiction that receives an annual formula allocation of CDBG and HOME funds from HUD for community development and affordable housing activities. Covington is the lead agency of the NKY HOME Consortium. The NKY HOME Consortium includes the member cities of Ludlow, Newport, Bellevue and Dayton. These member cities are included in this plan as it relates to the use of HOME funds.

The Annual Action Plan includes a budget which encompasses revenue from multiple sources. These include new formula based entitlements, program income/recaptured funds and carry-over funds. The CDBG and HOME funds encompass a wide range of eligible activities designed to benefit low- and moderate-income Covington residents. A description of the grants and budgets is outlined below:

CDBG

The Housing and Community Development Act of 1974 created the CDBG Program to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low- and moderate-income. The CDBG regulations require that at least 70 percent of all CDBG funds are used to benefit low- and moderate-income residents who are members of households that earn less than 80 percent of Area Median Income (AMI).

For the 2017-2018 program year, the City will receive \$1,390,754 in formula allocation, program income/recaptured funds is estimated to be \$100,000, and carry-over is \$995,505, totaling \$2,486,259 available for eligible activities.

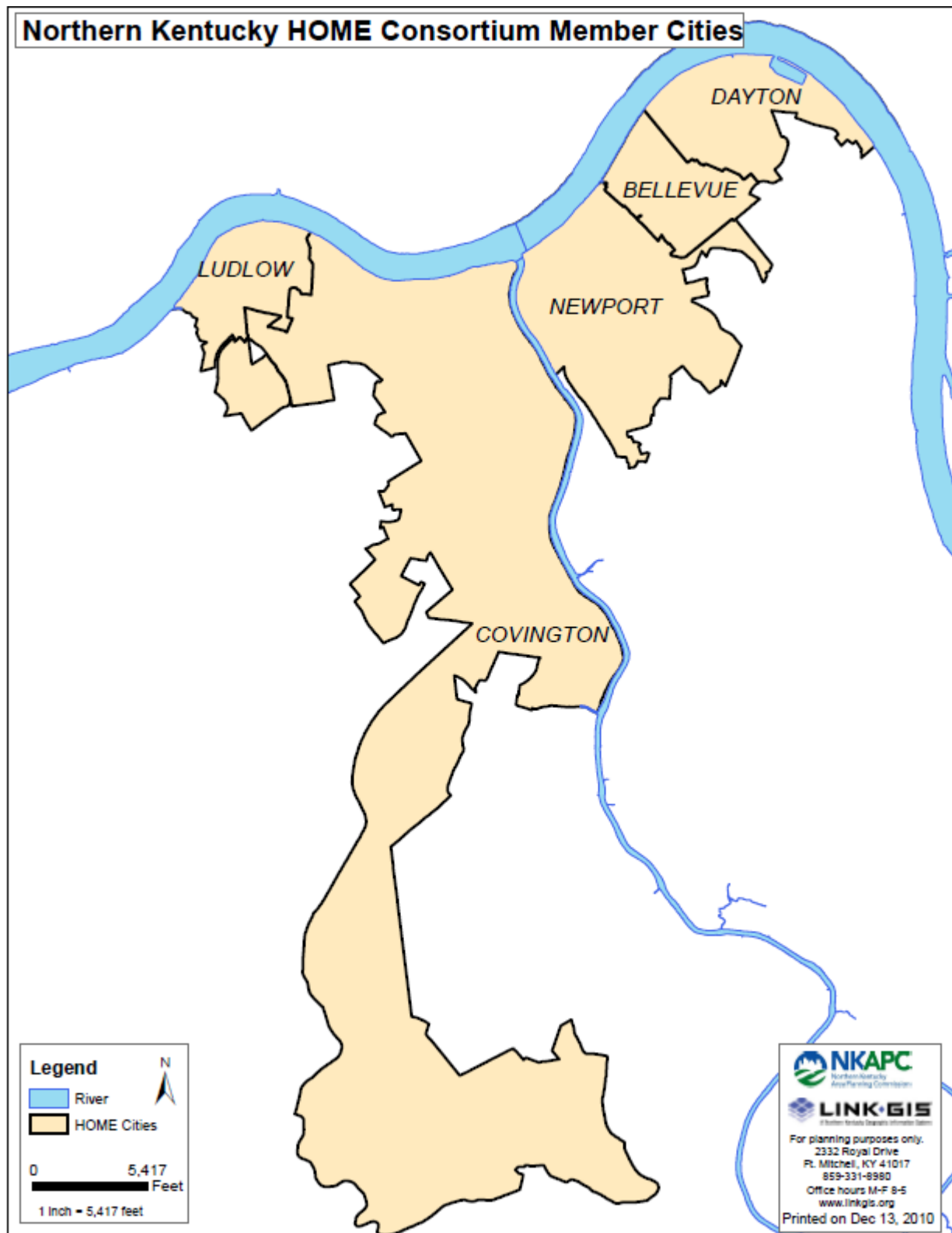
HOME

The Cranston-Gonzalez National Affordable Housing Act created the HOME program to give states and local governments a flexible block grant funding source to use for a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct

rental assistance to low-income people. The sole purpose of the HOME program is creating affordable housing opportunities for low-income households.

For the 2017-2018 program year, the City will receive \$423,948 in formula allocation, program income/recaptured funds is estimated to be \$95,000, and carry-over is \$485,411, totaling \$1,004,359 available for eligible activities.

(These funding amounts are based on estimates. HUD funding allocations have not yet been announced as of the date of this draft of the plan. If HOME available funds is higher or lower than these estimates, then Homebuyer Assistance Programs will be increased or decreased accordingly. If CDBG available funds is higher or lower than these estimates, then public improvements and park improvements will be increased or decreased accordingly).



Northern KY HOME Consortium Map

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

Goals and Objectives

The City of Covington and Northern Kentucky HOME Consortium FY 2013-2018 Consolidated Plan provides a framework to identify and prioritize housing and community development needs. Within this timeframe the City of Covington will focus on the following objectives:

- Expand homeownership opportunities and promote self-sufficiency for low, very low, and moderate income families by providing down payment assistance, administering a Section 8 to Homeownership Program and providing other educational materials and initiatives which assist in purchasing and maintaining a home.
- Provide financial and technical assistance to low and moderate income homeowners in need of home repairs by administering rehabilitation and repair loan programs.
- Continue to work with the Continuum of Care to address homeless concerns.
- Promote homeownership and housing opportunities for persons with special housing needs by increasing awareness and partnering with organizations who work with those households.
- Continue to support the creation and retention of the City's affordable housing stock.
- Support opportunities to enhance local public services and facilities.
- Expand and preserve the supply of safe, decent and affordable rental housing through the professional administration of the Housing Choice Voucher Program in Kenton County.
- Maintain the commitment to Historic Preservation and expand the awareness of the positive impact historic homes have in revitalizing neighborhoods.
- Encourage and strengthen partnerships with financial institutions and intermediaries, religious institutions, nonprofit and for-profit developers, nonprofit organizations, other units of local government, state and federal agencies and elected officials to facilitate neighborhood revitalization and housing development.
- Support and expand healthy small businesses.
- Maintain a safe and attractive living environment through public improvements and appropriate streetscapes.
- Support creation and retention of quality rental opportunities by funding the production of affordable rental units.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

An evaluation of past performance was completed by City staff from multiple departments. These evaluations focused on goals achieved, program successes and program administration. This evaluation was used to form the projects and goals for the upcoming program year. The City is currently implementing the projects and activities included in the 2016-2017 Annual Action Plan. As of this writing, all projects and activities are underway.

The City's investment of HUD resources has had a positive impact on the community. These funds have been leveraged with other federal, state and local funds to be a catalyst for positive change. The City will attempt to build on these positive changes by continuing to implement programs and activities that were successful and impactful in the previous year and by improving programs and activities that were not as impactful.

CDBG funds were utilized successfully to implement: infrastructure improvements; park improvements; recreation programming; business retention efforts; crime prevention activities; targeted code enforcement; and housing repair programs.

HOME funded activities designed to increase the number of low-moderate income homeowners have been highly successful. Funds budgeted for the City's homebuyer assistance programs were fully utilized creating many new homeowners throughout the Consortium cities. HOME was also used to finance CHDO projects. These projects renovated existing housing into homeownership and affordable rental units.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The purpose of the Citizen Participation Plan is to encourage participation by all sectors of the community, particularly low and very-low income persons, in the development of the City of Covington and the NKY HOME Consortium Consolidated Plan and Annual Action Plan. The public hearing notices were posted on the City website, sent directly to email subscribers, sent to stakeholder groups, and published in the Cincinnati Enquirer at least fourteen (14) days prior to the hearing. The City also placed posters in English and Spanish in high traffic areas of the City advertising the hearing. The notice included instructions for special needs populations, such as hearing, visual or mobility impaired persons to notify the City so necessary arrangements could be made for their participation.

The public hearings were held during the week, after 6:00 P.M. in the architecturally barrier free meeting rooms.

The City also sent out a community needs survey asking members of the public to offer opinions and insight on community needs and funding priorities.

Provisions were made to accept written comments from those not able to attend the public hearings/ group meetings and were included in the public hearing records.

Once the Annual Action Plan was completed, a summary was developed. This summary was published and a 30-day comment period was given to persons, groups, or agencies who wished to comment. The published summary also provided an address, contact person and phone number where comments could be directed. Citizens were also provided an opportunity to review the entire Proposed Annual Action Plan, with the summary and public notice attached, which were available for review at the City of Covington Department of Development, the City Clerk's office of each member Consortium city, and on the City of Covington's website. During this 30-day period, a public hearing was held before the City of Covington's Mayor and Board of Commissioners to provide a forum for persons to comment. Comments were accepted verbally at the public hearing or in writing, whichever was most convenient for the commenter.

Any complaint, view or pertinent comment that was received either verbally or in writing, was substantially responded to within a 15 day period. Comments received at the public hearing were responded to within the Plan.

Copies of the Final Annual Action Plan will be made available for review at the Housing Authorities of Covington and Newport, the Campbell County Department of Housing, City of Covington Department of Development, the City Clerk's office of each member Consortium city, and on the City of Covington's website. Any amendments to the Plan require a 30 day public comment period and must be adopted by the Covington City Commission.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Please see attached documents outlining citizen participation comments and responses.

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments and views were accepted and responded to appropriately.

7. Summary

As stated in the Introduction, the Consolidated Plan and Annual Action Plan serve as the guiding documents for the expenditure of CDBG and HOME funds received by the City of Covington. The City uses these funds to implement actions, activities, and programs that will address the city's greatest housing and community development needs, especially for low and moderate income households.

PR-05 Lead & Responsible Agencies - 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	COVINGTON	
CDBG Administrator		Department of Development
HOPWA Administrator		
HOME Administrator		Department of Development
HOPWA-C Administrator		

Table 1 – Responsible Agencies

Narrative

The Department of Development of the City of Covington, KY administers the CDBG and HOME Programs.

Consolidated Plan Public Contact Information

Primary Contact: Jeremy Wallace, Community Development Manager

City of Covington, KY

859-292-2147, jwallace@covingtonky.gov

AP-10 Consultation - 91.100, 91.200(b), 91.215(l)

1. Introduction

The lead agency responsible for administering programs covered by the 2013-18 Consolidated Plan is the City of Covington's Department of Development (DOD).

The City of Covington Department of Development acts as the lead agency in the Northern Kentucky HOME Consortium. Current members of the Consortium include the City of Ludlow, the City of Newport, the City of Bellevue, and the City of Dayton. Members meet to create policy, develop housing strategy and implement activities directed under the HOME program.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

To foster coordination between public and private service agencies, the City of Covington DOD staff:

- Maintain dialogue with the United Way.
- Participate in Southbank Partners. Southbank Partners represents a collaboration of Northern Kentucky private citizens, business leaders, local government administrators and elected officials serving as a catalyst for economic development. Ludlow, Covington, Newport, Bellevue, and Dayton are all participating members.
- Attend meetings of the Continuum of Care as needed.
- Partner with the Northern Kentucky Independent District Health Department on policies, systems and environmental change impacting chronic disease.
- Participate in the OKI Regional Council of Governments planning efforts.
- Participate in regional planning efforts of Vision 2015 to promote local initiatives.
- Partner with local housing counseling agencies to promote homebuyer education classes and homebuyer assistance programs.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

In preparing our Consolidated Plan and Annual Action Plan, a Focus Group was convened representing as many stakeholders as possible. Primary members of the Region III Continuum of Care attended every meeting to assist with review, analysis and development of the Consolidated Plan. These organizations are Welcome House of Northern Kentucky and Northern Kentucky Community Action Commission.

These are two of the largest Social Service agencies in Northern Kentucky providing services to our homeless population. All strategies identified in the Consolidated Plan and Annual Action Plans are a direct result of the Focus Group, Public Input, Demographic analysis, Community Needs and available resources. To enhance further coordination, stakeholders were invited to participate in focus group meetings each subsequent year to provide input regarding the Annual Action Plans for those years. Representatives of Homeless Providers or agencies providing services to homeless persons were invited, such as: Emergency Shelter of Northern Kentucky, Welcome House of Northern Kentucky, Northern Kentucky Community Action Commission, and Covington Schools.

The City of Covington attends meetings and offers assistance to the Continuum of Care as needed. The City provided environmental review technical assistance for HUD COC grant recipients.

Also, the City of Covington's Mayor, Sherry Carran signed on to HUD's Mayor's Challenge to End Veteran Homelessness in 2014.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City of Covington does not receive ESG funds nor does it administer HMIS.

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	BOY'S & GIRLS'S CLUB OF NORTHERN KENTUCKY
	Agency/Group/Organization Type	Services-Children Regional organization
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City of Covington partners with the Boys and Girls Club on establishing recreation programs that serve the youth of our city.
2	Agency/Group/Organization	CENTER FOR GREAT NEIGHBORHOODS
	Agency/Group/Organization Type	Housing Services-Education Services-Employment Civic Leaders Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Center for Great Neighborhoods (CGN) is a CHDO for the City of Covington. They attended the Focus Group meetings. CGN and the City collaborate on housing issues.

3	Agency/Group/Organization	HOUSING OPPORTUNITY OF NORTHERN KENTUCKY
	Agency/Group/Organization Type	Housing Services-Children Service-Fair Housing Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Housing Opportunities of Northern Kentucky (HONK) is a CHDO for the City of Covington and the Northern Kentucky HOME Consortium. They attended the City's Focus Group meetings. HONK and the City collaborate on housing issues.
4	Agency/Group/Organization	HOUSING AUTHORITY OF COVINGTON
	Agency/Group/Organization Type	Housing PHA
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Non-Homeless Special Needs Economic Development Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Housing Authority was asked to participate in the City's Focus Group meetings. The City collaborates with the Housing Authority on their HOPE VI projects.
5	Agency/Group/Organization	N KY COMM ACTION COMM

	Agency/Group/Organization Type	Housing Services-Children Services-Education Services-Employment Child Welfare Agency Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City collaborates with the Community Action Commission (NKYCAC). NKYCAC is a member of the Region III Continuum of Care for homelessness issues. NKYCAC provides many services to members of our community.
6	Agency/Group/Organization	The Catalytic Development Funding Corp. of Northern Kentucky
	Agency/Group/Organization Type	Housing Regional organization Planning organization Civic Leaders Community Development Financial Institution Private Sector Banking / Financing

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Catalytic Development Funding Corp. of Northern Kentucky attended the Focus Group meetings. The Catalytic Development Funding Corp. of Northern Kentucky (The Catalytic Fund) is a private sector, not for profit organization providing financing assistance and related services for developers of quality residential and commercial real estate projects in Northern Kentucky's urban cities of Ludlow, Covington, Newport, Bellevue, and Dayton (Target Area Cities).
7	Agency/Group/Organization	Welcome House of Northern KY
	Agency/Group/Organization Type	Housing Services-Children Services-homeless Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Welcome House attended the City's Focus Group meetings. The City utilized the Welcome House's expertise on poverty, housing, and homeless needs.

8	Agency/Group/Organization	Northern Kentucky Commission on Human Rights
	Agency/Group/Organization Type	Service-Fair Housing Other government - State Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City and Northern Kentucky HOME Consortium collaborate with the Commission on Human Rights. The Commission Field Office Supervisor attended the Focus Group meetings.
9	Agency/Group/Organization	ENTRYWAY, INC.
	Agency/Group/Organization Type	Housing Service-Fair Housing Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Entryway, Inc. is a CHDO for the Northern Kentucky HOME Consortium. They attend every HOME Consortium meeting and are fully engaged in housing issues.
10	Agency/Group/Organization	Northern Kentucky Independent District Health Department

	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Health Agency Publicly Funded Institution/System of Care Regional organization
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Non-Homeless Special Needs Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Coordinated with the NKY Health Department on policy, environmental and system changes to identify and track the impact of chronic disease on our residents.

Identify any Agency Types not consulted and provide rationale for not consulting

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
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Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Northern Kentucky Area Development District	The Ten Year Plan to End Homelessness stresses the need for affordable housing. Through the mix of public housing, Section 8, HOME and CDBG funds in our communities, this objective is addressed.
Covington Housing Strategy	Center for Great Neighborhoods	The Housing Strategy is currently being developed in conjunction with existing plans as well as the 2013-2017 Consolidated Plan. Both plans stress that housing is a highly important economic development initiative. The 2013-2017 Con Plan addresses the creation of quality, affordable housing. There are many housing needs in the community and these plans cover the proper mix for a balanced approach. The Housing Strategy is not funded by the City of Covington, but rather the Local Initiative Support Corporation.
Management Partners Report	City of Covington	HUD and the Con Plan encourage the efficient use of funds. The Management Partners Report recommended reorganizing the Community Development Department, which includes the CDBG and HOME Programs to more efficiently administer federal funds.
Covington Center City Action Plan	City of Covington	The Con Plan and the Center City Action Plan (3CAP) both establish living sustainability, which is making our community a fully viable and attractive place to live for diverse incomes, ages, and socio-cultural characteristics. The 3CAP and Con Plan both stress increasing homeownership and promoting reinvestment of existing housing stock by preserving and rehabilitating existing housing.
Vision 2015	Vision 2015	Vision 2015 is a community planning initiative that defined the future of Northern Kentucky by producing a 10-year strategic blueprint. The City of Covington and the Northern Kentucky HOME Consortium had representation on Vision 2015. Covington and the HOME Consortium helped implement the goals of Vision 2015.
Community Reinvestment Plan	City of Covington	This is a five-year strategic reinvestment into five main categories: infrastructure, parks, facilities, fleet management and community development. This plan will support nearly \$72 million of reinvestment into Covington.

Table 3 – Other local / regional / federal planning efforts

Narrative

AP-12 Participation - 91.401, 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal-setting

The City of Covington pursues a comprehensive citizen participation process to ensure that the programs and activities proposed meet community needs. Department of Development staff engaged the public in many modes of outreach including: e-blasts, social media, news articles, attending neighborhood group meetings, hosting stakeholder/focus group meetings, online and paper surveys and holding traditional public needs hearings. These activities were designed to reach the broadest audience possible. The process allowed staff to educate the public on these federal programs and the regulations that govern them and to solicit as much public input as possible.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Internet Outreach	Non-targeted/broad community	<p>The City advertised the public needs hearing and public comment opportunities broadly through its social media channels. Staff created a brief survey asking the public to provide input on areas of community need. The survey was sent to the City's e-mail subscriber list and posted for the general public on the City website and social media channels. Results of the survey were analyzed and included in the planning process. The City's response to comments is provided as an attachment to the Action Plan.</p>	Comments are included as an attachment to the Action Plan.	<p>The Northern Kentucky HOME Consortium and the City of Covington responded as appropriate to comments and questions received. Some concerns were raised in the form of opinions, not questions, so it was not appropriate for the Consortium or City to respond.</p>	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Newspaper articles in River City News	Non-targeted/broad community	Articles described the Annual Action Plan process, encouraged citizens to attend the public hearing held on February 9, 2017 and encouraged all people to provide input to the City for the use of CDBG and HOME funds.	Comments are included as an attachment to the Action Plan.	The Northern Kentucky HOME Consortium and the City of Covington did not respond to the comments from the general discussion. As you will note, the Northern Kentucky HOME Consortium and the City of Covington responded as appropriate to comments and questions received. Some concerns were raised in the form of opinions, not questions, so it was not appropriate for the Consortium or City to respond.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Newspaper Ad	<p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p>	Legal Advertisement was placed in the Kentucky Enquirer advertising the public needs hearing and encouraging members of the public to provide input on the annual action plan process.	Comments are included as an attachment to the Action Plan.	The Northern Kentucky HOME Consortium and the City of Covington responded as appropriate to comments and questions received. Some concerns were raised in the form of opinions, not questions, so it was not appropriate for the Consortium or City to respond.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Stakeholder/Focus Group Outreach	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p>	<p>Staff targeted outreach to local stakeholders to provide input on the annual action plan process.</p> <p>Representatives of many local agencies were contacted including: public housing providers, social service agencies, educators, lenders, realtors, affordable housing developers and advocate groups for disabled, minority and Spanish speaking populations.</p>	<p>Comments are included as an attachment to the Action Plan.</p>	<p>The Northern Kentucky HOME Consortium and the City of Covington responded as appropriate to comments and questions received. Some concerns were raised in the form of opinions, not questions, so it was not appropriate for the Consortium or City to respond.</p>	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
5	Public Hearing	<p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p>	17 people in attendance. The City's response to comments is provided as an attachment to the Action Plan.	Comments are included as an attachment to the Action Plan.	The Northern Kentucky HOME Consortium and the City of Covington did not respond to the comments from the general discussion. As you will note, the Northern Kentucky HOME Consortium and the City of Covington responded as appropriate to comments and questions received. Some concerns were raised in the form of opinions, not questions, so it was not appropriate for the Consortium or City to respond.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Newspaper Ad	Non-English Speaking - Specify other language: Spanish Non-targeted/broad community	Legal Advertisement was placed in the Kentucky Enquirer advertising the 30 day public comment period on the draft annual action plan and the public meeting to discuss the draft annual action plan.	Comments are included as an attachment to the Action Plan.	The Northern Kentucky HOME Consortium and the City of Covington responded as appropriate to comments and questions received. Some concerns were raised in the form of opinions, not questions, so it was not appropriate for the Consortium or City to respond.	
7	Newspaper article in the Northern KY Tribune	Non-targeted/broad community	Article contained information regarding the public meeting to discuss the draft annual action plan.			

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
8	Internet Outreach	Non-targeted/broad community	The City advertised the draft annual action plan 30 day comment period and the public meeting to discuss the draft annual action plan broadly through its social media channels.			
9	Public Meeting	Non-targeted/broad community	Public meeting to review the draft annual action plan and provide comments. Meeting was held as part of a regularly scheduled City Commission meeting. The City's response to comments is provided as an attachment to the Action Plan.	Comments are included as an attachment to the Action Plan.	The Northern Kentucky HOME Consortium and the City of Covington responded as appropriate to comments and questions received. Some concerns were raised in the form of opinions, not questions, so it was not appropriate for the Consortium or City to respond.	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

The Annual Action Plan includes a budget which encompasses revenue from four sources. These include new formula based entitlements, program income/recaptured funds, carry-over, and 108 Loan repayments. The new formula based entitlements for Program Year 2017-18 are \$1,390,754 in Community Development Block Grant (CDBG) funding and \$423,948 in Home Investment Partnerships (HOME) funding for Covington/Northern Kentucky HOME Consortium (which includes the River Cities of Ludlow, Newport, Bellevue and Dayton). The estimated program income/recaptured funds are \$75,000 in CDBG and \$95,000 in HOME. Program income/recaptured funds are generated through the repayment and/or recapture of loans. The City of Covington and Northern Kentucky HOME Consortium anticipate carry-over of CDBG in the amount of \$995,505 and HOME in the amount of \$485,411. The City of Covington estimates \$25,000 in Section 108 repayments, once individual projects are approved, to be included as program income.

(These funding amounts are based on estimates. HUD funding allocations have not yet been announced as of the date of this draft of the plan. If HOME available funds is higher or lower than these estimates, then Homebuyer Assistance Programs will be increased or decreased accordingly. If CDBG available funds is higher or lower than these estimates, then public improvements and park improvements will be increased or decreased accordingly).

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
							\$	

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,390,754	75,000	995,505	2,461,259	2,781,508	CDBG funds are used to benefit low and moderate income families or to eliminate blighted conditions.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	423,948	95,000	485,411	1,004,359	847,896	HOME funds are used primarily to increase homeownership opportunities and the preservation and production of affordable rental housing. A required 15% will fund Community Housing Development Organizations(CHDOs)

Table 1 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City of Covington will leverage all available public sector and private sector dollars to achieve the greatest benefit. The creation and maintenance of affordable housing requires the use of both government and private financing and the cooperation between the private and the public sector.

Private mortgage financing, other forms of down payment assistance and buyer contributions will be leveraged with HOME to create homeownership opportunities.

CDBG funds will be leveraged wherever possible via federal, state and local grant opportunities. The City is exploring leveraged financing opportunities with the Federal Home Loan Bank of Cincinnati for housing and economic development. In addition, CDBG funds will be used for the Upper Floor Residential Rehab Program which will require a 50% property owner matching contribution.

The City of Covington and Northern Kentucky HOME Consortium are required to match HOME funds 12.5¢ for every dollar of HOME funding expended annually. The City and Consortium are meeting this goal through volunteer labor provided by Community Housing Development Organizations (CHDO's), Federal Home Loan Bank grants, KHC funds, and donated homebuyer education expenses.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

There are several City-owned vacant properties and vacant lots that could be used for housing redevelopment, infill construction or greenspace. New housing opportunities and additional greenspace are identified community needs. The City will evaluate these properties and attempt to redevelop them as appropriate. City owned vacant properties are also being marketed as part of the Covington Community Developer Initiative. This program identifies qualified private sector housing developers who are interested in redeveloping vacant housing.

Discussion

CDBG funds will be allocated to the following activities: Section 108 Economic Development Loan Repayment, Public Improvements, Parks and Recreation, Homeowner Repair Programs, Upper Floor Residential Redevelopment, Crime Prevention Efforts, Targeted Code Enforcement, Business Retention Efforts, and program administration costs.

HOME funds will be allocated to the following activities: Homebuyer Assistance Programs, CHDO Development projects, and program administration costs.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Upper Floor Residential Rent Rehab Program	2013	2018	Affordable Housing		All Programs	CDBG: \$100,000	Rental units rehabilitated: 5 Household Housing Unit
2	Covington Homebuyer Assistance Program	2013	2018	Affordable Housing		All Programs	HOME: \$250,000	Direct Financial Assistance to Homebuyers: 50 Households Assisted
3	NKY HOME Consortium Homebuyer Assistance Program	2013	2018	Affordable Housing		All Programs	HOME: \$192,319	Direct Financial Assistance to Homebuyers: 38 Households Assisted
4	Section 108 ED Loan pool	2013	2018	Non-Housing Community Development		All Programs	CDBG: \$25,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 0 Persons Assisted Jobs created/retained: 1 Jobs Businesses assisted: 1 Businesses Assisted
5	Streets, Playgrounds, Greenspace	2013	2018	Non-Housing Community Development		All Programs	CDBG: \$1,365,629	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 30000 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	CDBG Administration	2013	2018	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development		All Programs	CDBG: \$270,401	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 30000 Persons Assisted Public service activities other than Low/Moderate Income Housing Benefit: 45430 Persons Assisted Rental units rehabilitated: 5 Household Housing Unit Homeowner Housing Rehabilitated: 27 Household Housing Unit Businesses assisted: 100 Businesses Assisted Housing Code Enforcement/Foreclosed Property Care: 500 Household Housing Unit Other: 5 Other
7	Code Enforcement Hardship Rehab/Repair	2013	2018	Affordable Housing Non-Homeless Special Needs		All Programs	CDBG: \$200,000	Homeowner Housing Rehabilitated: 27 Household Housing Unit
8	Crime Prevention	2013	2018	Non-Housing Community Development		All Programs	CDBG: \$150,000	Public service activities other than Low/Moderate Income Housing Benefit: 6895 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
9	Recreation Programs	2013	2018	Non-Homeless Special Needs Non-Housing Community Development		All Programs	CDBG: \$45,430	Public service activities other than Low/Moderate Income Housing Benefit: 37230 Persons Assisted
10	Code Enforcement Staff	2013	2018	Affordable Housing Non-Housing Community Development		All Programs	CDBG: \$58,234	Housing Code Enforcement/Foreclosed Property Care: 500 Household Housing Unit
11	CDBG Program Staff	2013	2018	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development Program Staff		All Programs	CDBG: \$183,605	Public service activities other than Low/Moderate Income Housing Benefit: 37230 Persons Assisted Rental units rehabilitated: 5 Household Housing Unit Homeowner Housing Added: 7 Household Housing Unit Homeowner Housing Rehabilitated: 27 Household Housing Unit Direct Financial Assistance to Homebuyers: 88 Households Assisted
12	Business Development Staff	2013	2018	Non-Housing Community Development		All Programs	CDBG: \$82,960	Businesses assisted: 100 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
13	Covington CHDO Development Projects	2013	2018	Affordable Housing		All Programs	HOME: \$538,834	Homeowner Housing Added: 7 Household Housing Unit
14	HOME Administration	2013	2018	Affordable Housing		All Programs	HOME: \$23,206	Homeowner Housing Added: 7 Household Housing Unit Direct Financial Assistance to Homebuyers: 88 Households Assisted
15	Relocation	2013	2018	Affordable Housing		All Programs	CDBG: \$5,000	Other: 5 Other

Table 2 – Goals Summary

Goal Descriptions

1	Goal Name	Upper Floor Residential Rent Rehab Program
	Goal Description	This program supports the rehab of residential rental units in the upper floors of targeted business districts. The goal of this program would be to provide rehab of residential space into rental units. Applicants must match the grant amount. The City has many mixed use buildings that are in need of repair.
2	Goal Name	Covington Homebuyer Assistance Program

	Goal Description	This is an interest-free, deferred loan program to assist low-income homebuyers with lender required down payment and closing costs.
3	Goal Name	NKY HOME Consortium Homebuyer Assistance Program
	Goal Description	This is an interest-free, deferred loan program to assist low-income homebuyers with lender required down payment and closing costs.
4	Goal Name	Section 108 ED Loan pool
	Goal Description	We will be leveraging our entitlement amount to borrow \$4 million to be available for a loan pool for economic development loans to eligible businesses that follow the ED Incentives process for selection. This expenditure will be covered by income from performing loans. The loan pool has been approved by HUD. Individual project applications will be submitted and reviewed for approval.
5	Goal Name	Streets, Playgrounds, Greenspace
	Goal Description	Funding will be used for LMI area benefit for public facility improvements, tree planting, infrastructure, parks, playgrounds and greenspace projects.
6	Goal Name	CDBG Administration
	Goal Description	Administrative costs cover the necessary staffing and resources to handle all monitoring, reporting, required reviews and financial management.
7	Goal Name	Code Enforcement Hardship Rehab/Repair

	Goal Description	<p>The Code Enforcement Hardship Program assists low-income homeowners address exterior property code violations. This is an interest-free, deferred/forgivable loan program.</p> <p>The Homeowner Repair Program assists low-income homeowners with urgent home repair needs i.e. furnace, roof and sewer lateral repairs. This program gives preference to elderly, disabled and veteran households. This is an interest-free, deferred/forgivable loan program.</p>
8	Goal Name	Crime Prevention
	Goal Description	This activity funds crime prevention efforts above and beyond essential police coverage. Funding includes an agreement with the Housing Authority of Covington for officers in City Heights. Remaining funds will be used for crime prevention activities or tools for the downtown business district and in designated high crime areas.
9	Goal Name	Recreation Programs
	Goal Description	Provides for the City's Summer Youth Program and Aquatic Arts Program.
10	Goal Name	Code Enforcement Staff

	Goal Description	Staff will handle the implementation of the Code Enforcement Rental Inspection Program within targeted LMI census tracts.
11	Goal Name	CDBG Program Staff
	Goal Description	Funds to pay staff salaries related to activity delivery costs for CDBG and HOME funded programs and projects.
12	Goal Name	Business Development Staff
	Goal Description	This activity funds staff that will implement the Business Retention Program.
13	Goal Name	Covington CHDO Development Projects
	Goal Description	Housing Opportunities of Northern Kentucky, The Center for Great Neighborhoods of Covington and Emtryway, Inc. serve as our Community Housing Development Organizations and these funds will create 7 rehab for homeownership projects to provide affordable housing to LMI individuals in Covington and Newport, KY.
14	Goal Name	HOME Administration
	Goal Description	HOME funds to cover staff costs related to monitoring, reporting, required reviews and financial management of the HOME Program.
15	Goal Name	Relocation
	Goal Description	Funds to pay eligible relocation costs when necessary for tenants/owners of CDBG assisted housing.

Table 3 – Goal Descriptions

AP-35 Projects - 91.420, 91.220(d)

Introduction

During the Consolidated Planning process, the city prioritizes identified needs and allocates funds strategically to achieve the most community impact. Through the city's annual budgeting process the following projects were funded to implement these strategic goals. The Annual Action Plan includes a budget which encompasses revenue from four sources. These include new formula based entitlements, program income/recaptured funds, carry-over, and 108 Loan repayments.

#	Project Name
1	Administration- CDBG
2	HOME Program Administration
3	Rehab Administration
4	Housing Services- HOME Delivery Costs
5	Recreation Staff Delivery Costs
6	Business Development-Retention Program
7	Code Enforcement Staff
8	Covington Homebuyer Assistance- PY 2017
9	NKY HOME Consortium Homebuyer Assistance- PY 2017
10	Homeowner Repair Program- PY 2017
11	Code Enforcement Hardship Repair Program- PY 2017
12	Upper Floor Residential Rent Rehab Program- PY 2017
13	Public Improvements
14	Park Improvements
15	Police Anti-Crime Program- Targeted Areas
16	Recreation Programs
17	Relocation Expenses
18	Section 108 Activities

#	Project Name
19	CHDO Housing Development- PY 2017

Table 3 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

CDBG and HOME funds will continue to fund many of the same or similar programs as in 2016. In 2016, much of the CDBG funding was used for housing rehabilitation and infrastructure improvements. These continue to be priority issues for the City and will continue to be addressed with current year funding. The city has a large inventory of aging housing stock, both owner and rental, in need of rehabilitation. The City will continue to address these types of properties with available funding. The City continues to receive applications for homeowner repair assistance. The demand for these programs typically outpaces available funding. CDBG funds will also be used to support code enforcement, crime prevention efforts, economic development and public service programs.

There is always a need for affordable housing in the City and a desire by the City and the public to increase homeownership rates. The HOME program will support increasing homeownership opportunities through down payment assistance programs and by creating new affordable homeownership and lease to own units.

These funding amounts are based on estimates. HUD funding allocations have not yet been announced as of the date of this draft of the plan. If HOME available funds is higher or lower than these estimates, then Homebuyer Assistance Programs will be increased or decreased accordingly. If CDBG available funds is higher or lower than these estimates, then public improvements and park improvements will be increased or decreased accordingly.

AP-38 Project Summary

Project Summary Information

Table 4 – Project Summary

1	Project Name	Administration- CDBG
	Target Area	
	Goals Supported	Upper Floor Residential Rent Rehab Program Section 108 ED Loan pool Streets, Playgrounds, Greenspace Code Enforcement Hardship Rehab/Repair Crime Prevention Recreation Programs Code Enforcement Staff CDBG Program Staff Business Development Staff CDBG Administration Relocation
	Needs Addressed	All Programs
	Funding	CDBG: \$270,401
	Description	CDBG Program administrative costs.
	Target Date	6/30/2018

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Program administration costs include staff and related costs required for overall program management, coordination, monitoring, reporting, recordkeeping and evaluation.
2	Project Name	HOME Program Administration
	Target Area	
	Goals Supported	Covington Homebuyer Assistance Program NKY HOME Consortium Homebuyer Assistance Program Covington CHDO Development Projects HOME Administration
	Needs Addressed	All Programs
	Funding	HOME: \$23,206
	Description	This project funds administrative costs for the HOME Program
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	Administering the HOME program will benefit approximately 87 low-income households.
	Location Description	

	Planned Activities	Program administration costs include staff and related costs required for overall program management, coordination, monitoring, reporting, recordkeeping and evaluation.
3	Project Name	Rehab Administration
	Target Area	
	Goals Supported	Upper Floor Residential Rent Rehab Program Code Enforcement Hardship Rehab/Repair Relocation
	Needs Addressed	All Programs
	Funding	CDBG: \$96,994
	Description	This project funds staff delivery costs to administer CDBG funded residential rehab programs.
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	This project will benefit approximately 32 LMI homeowners/renters.
	Location Description	
	Planned Activities	Funds provide for staffing to support program delivery costs for CDBG funded residential rehab programs. Activities include: inspections, cost estimates, specifications, applicant qualifying, processing payments, etc.
4	Project Name	Housing Services- HOME Delivery Costs
	Target Area	

	Goals Supported	Covington Homebuyer Assistance Program NKY HOME Consortium Homebuyer Assistance Program Covington CHDO Development Projects
	Needs Addressed	All Programs
	Funding	CDBG: \$69,462
	Description	This project funds activity delivery costs to administer the City's HOME funded programs and projects.
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	This project will benefit approximately 87 low-income households.
	Location Description	Homebuyer Assistance programs are available city-wide in Covington, Ludlow, Newport, Bellevue and Dayton. There will be 7 CHDO rehab projects for low-income homeownership that will occur at the following addresses: 908 Greenup Street, 1230 Lee Street, 2735 Alexandria Street in Covington and 217 Forest Street, 224 Forest Street, 226 Forest Street, 1042 Washington Avenue in Newport.
	Planned Activities	Activity delivery costs to administer the City's HOME funded programs and projects.
5	Project Name	Recreation Staff Delivery Costs
	Target Area	
	Goals Supported	Streets, Playgrounds, Greenspace Recreation Programs
	Needs Addressed	All Programs
	Funding	CDBG: \$4,636

	Description	This project funds a portion of the salary for staff to administer CDBG funded park improvements and recreation programs.
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	These funds will benefit LMI residents who utilize city parks and recreation programs.
	Location Description	
	Planned Activities	Project delivery costs associated with CDBG funded park improvements and recreation programs.
6	Project Name	Business Development-Retention Program
	Target Area	
	Goals Supported	Business Development Staff
	Needs Addressed	All Programs
	Funding	CDBG: \$82,960
	Description	This project funds the salary for staff person responsible for execution of the Business Retention Program.
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	This project will target assistance to businesses that create and/or retain jobs available to LMI residents.
	Location Description	

	Planned Activities	This project will fund the salary for staff to execute the Business Retention Program. This program provides technical assistance to businesses in the City who create and retain LMI jobs.
7	Project Name	Code Enforcement Staff
	Target Area	
	Goals Supported	Code Enforcement Hardship Rehab/Repair Code Enforcement Staff
	Needs Addressed	
	Funding	CDBG: \$58,234
	Description	This project funds code enforcement staff to perform targeted code enforcement in low-income census tracts.
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	Code Enforcement is performed in targeted LMI census tracts to benefit LMI residents.
	Location Description	LMI census tracts.
	Planned Activities	Funds provided to pay for code enforcement staff to perform targeted code enforcement in low-income census tracts.
8	Project Name	Covington Homebuyer Assistance- PY 2017
	Target Area	
	Goals Supported	Covington Homebuyer Assistance Program

	Needs Addressed	All Programs
	Funding	HOME: \$250,000
	Description	This project funds the Covington Homebuyer Assistance Program.
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	This project will benefit approximately 50 low-income homebuyers.
	Location Description	This activity is available to low-income homebuyers city-wide.
	Planned Activities	This is an interest-free, deferred loan program to assist low-income homebuyers with lender required down payment and closing costs.
9	Project Name	NKY HOME Consortium Homebuyer Assistance- PY 2017
	Target Area	
	Goals Supported	NKY HOME Consortium Homebuyer Assistance Program
	Needs Addressed	All Programs
	Funding	HOME: \$192,319
	Description	NKY Homebuyer Assistance Program
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	This activity will benefit approximately 30 low-income homebuyers.

	Location Description	This activity is available city-wide in the HOME Consortium cities of Ludlow, Newport, Bellevue and Dayton.
	Planned Activities	This is an interest-free, deferred loan program to assist low-income homebuyers with lender required down payment and closing costs.
10	Project Name	Homeowner Repair Program- PY 2017
	Target Area	
	Goals Supported	Code Enforcement Hardship Rehab/Repair
	Needs Addressed	All Programs
	Funding	CDBG: \$100,000
	Description	This project funds the City's Homeowner Repair Program to assist LMI homeowners with urgent home repair needs i.e. furnace, roof and sewer lateral repairs.
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	This activity will assist approximately 20 households. This activity is for LMI households only with a preference given to elderly, disabled and veteran households.
	Location Description	This activity is available city-wide on a first-come, first-served basis.
	Planned Activities	Single-family, owner-occupied, residential rehab to address urgent/emergency home repairs.
11	Project Name	Code Enforcement Hardship Repair Program- PY 2017
	Target Area	
	Goals Supported	Code Enforcement Hardship Rehab/Repair

	Needs Addressed	All Programs
	Funding	CDBG: \$100,000
	Description	This project funds the Code Enforcement Hardship Repair Program. This program assists LMI homeowners, who can document a financial hardship, to alleviate exterior code violations which have been cited by the Code Enforcement Department.
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	This activity will assist approximately 7 households. This activity is for LMI households only with a preference given to elderly, disabled and veteran households.
	Location Description	This activity is available city-wide on a first-come, first served basis.
	Planned Activities	Single-family, owner-occupied residential rehab addressing exterior code enforcement violations.
12	Project Name	Upper Floor Residential Rent Rehab Program- PY 2017
	Target Area	
	Goals Supported	Upper Floor Residential Rent Rehab Program
	Needs Addressed	All Programs
	Funding	CDBG: \$100,000
	Description	This project funds the Upper Floor Residential Rent Rehab Program. This program provides loans to property owners to redevelop vacant, upper-floor space in mixed-use buildings into affordable rental units.
	Target Date	6/30/2018

	Estimate the number and type of families that will benefit from the proposed activities	This project will benefit approximately 5 LMI households.
	Location Description	No specific addresses have been identified. This activity is targeted to mixed-use buildings in targeted business districts.
	Planned Activities	Rehabilitation of vacant, upper-floor space in mixed-use buildings into affordable rental-units.
13	Project Name	Public Improvements
	Target Area	
	Goals Supported	Streets, Playgrounds, Greenspace
	Needs Addressed	All Programs
	Funding	CDBG: \$1,365,629
	Description	This project will fund public improvements including street resurfacing, installation of ADA sidewalk ramps, streetscape, improvements, tree plantings, etc.
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	This project will fund activities that will occur in qualified LMI census tracts to benefit LMI households on an area basis.
	Location Description	Street resurfacing is scheduled to be performed on deteriorated streets in the central section of the City based on a condition survey; street reconstruction will occur on Latonia Avenue and River Center Boulevard; streetscape improvements will occur on Scott Street and 6th Street; tree plantings will occur in the Austinburg neighborhood around East 18th Street and on Madison Avenue between 17th Street and 19th Street.

	Planned Activities	Street resurfacing, street reconstruction, installation of ADA sidewalk ramps, streetscape improvements, tree plantings.
14	Project Name	Park Improvements
	Target Area	
	Goals Supported	Streets, Playgrounds, Greenspace
	Needs Addressed	All Programs
	Funding	CDBG: \$200,000
	Description	This project will fund improvements to the 19 neighborhood parks in the City. A current Public Facilities Plan has a goal of contributing \$50,000 to 2 parks each year for the next 10 years.
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	This project will fund activities in City parks that serve LMI residents.
	Location Description	A parks study is currently underway to identify which parks need improvements. Specific parks and projects will be identified based on the condition survey and public outreach that will be conducted.
	Planned Activities	Activities will include installation of new playground equipment, new and/or upgraded recreation facilities, landscaping upgrades, etc.
15	Project Name	Police Anti-Crime Program- Targeted Areas
	Target Area	
	Goals Supported	Crime Prevention

	Needs Addressed	All Programs
	Funding	CDBG: \$150,000
	Description	This project funds additional police patrols at the City Heights public housing site in cooperation with the Housing Authority of Covington and in targeted areas of high crime as identified by the Police Department.
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	This project will fund activities that benefit all residents in targeted low-mod census tracts on an area basis.
	Location Description	City Heights public housing complex and targeted high crime areas identified by the Police Department.
	Planned Activities	Additional police patrols in targeted areas of high crime.
16	Project Name	Recreation Programs
	Target Area	
	Goals Supported	Recreation Programs
	Needs Addressed	All Programs
	Funding	CDBG: \$45,430
	Description	This project funds recreation programs for Covington residents.
	Target Date	6/30/2018

	Estimate the number and type of families that will benefit from the proposed activities	This project funds activities that are offered at City parks that serve LMI residents.
	Location Description	These activities will occur at City parks and pools.
	Planned Activities	Summer Youth Program and Aquatic Arts Program.
17	Project Name	Relocation Expenses
	Target Area	
	Goals Supported	Relocation
	Needs Addressed	All Programs
	Funding	CDBG: \$5,000
	Description	This project funds relocation expenses to owners/occupants of units either acquired with federal money or for owner-occupied units undergoing rehab that require occupant relocation.
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Relocation assistance to owners/occupants of units either acquired with federal money or for owner-occupied units undergoing rehab that require occupant relocation.
18	Project Name	Section 108 Activities

	Target Area	
	Goals Supported	Section 108 ED Loan pool
	Needs Addressed	
	Funding	CDBG: \$25,000
	Description	In 2014 Covington was approved for a \$4 million Section 108 economic development loan pool. Example projects were submitted as part of the original loan application. However, any actual projects will need to be fully vetted and reviewed by HUD before any approvals and draw down of funds.
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	Section 108 funds will be utilized for an economic development loan pool. This loan pool will be used to assist business endeavors that will create LMI jobs. Funds may also be used for slum/blight removal activities associated with acquisition and redevelopment of blighted properties.
	Location Description	No specific addresses or projects have been identified.
	Planned Activities	No specific projects have been identified.
19	Project Name	CHDO Housing Development- PY 2017
	Target Area	
	Goals Supported	Covington CHDO Development Projects
	Needs Addressed	All Programs
	Funding	HOME: \$538,834
	Description	This project funds the required HOME CHDO set-aside for the creation of affordable housing units by qualified local CHDO's.

	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	This project will benefit approximately 7 low-income households.
	Location Description	There will be 7 CHDO rehab projects for low-income homeownership that will occur at the following addresses: 908 Greenup Street, 1230 Lee Street, 2735 Alexandria Street in Covington and 217 Forest Street, 224 Forest Street, 226 Forest Street, 1042 Washington Avenue in Newport.
	Planned Activities	Single-family housing rehab or new construction to create new affordable housing units for homeownership, rental or lease to own.

AP-50 Geographic Distribution - 91.420, 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Every Census Tract in Covington is Low/Mod Income except for Census Tracts 653 and 668. Those Census Tracts are located in the southern end of Covington south of Interstate 275. CDBG funds will be directed to all areas of the City for activities related to homeowner repair assistance. Funds for the Upper Floor Residential Rehab Program are directed to targeted business districts. Funds related to crime prevention and code enforcement will be targeted to areas of blight and high crime. Infrastructure and other public improvements will be directed to streets and parks that are identified as in need of improvements.

HOME Program funds are available city-wide in all Consortium cities. There is no targeting of HOME funds.

Geographic Distribution

Target Area	Percentage of Funds

Table 5 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

There are low-income homeowners in all areas of the City that can benefit from homeowner repair programs. The repair programs are not targeted to specific areas, but are targeted to elderly, disabled and veteran households. The Upper Floor Rehab Program is targeted to the downtown core area and other designated business districts to promote residential redevelopment in these area and due to the fact that these areas contains the most vacant upper floor space in the City. Code enforcement and crime prevention efforts are targeted to blighted, high crime areas and are meant to support other redevelopment efforts ongoing in these areas.

There are park and infrastructure plans in place that identify areas in need of improvement annually.

Discussion

Affordable Housing

AP-55 Affordable Housing - 91.420, 91.220(g)

Introduction

The City of Covington invests federal funds in the development of rental and homeownership units and the rehabilitation and repair of existing homeowner units. This section shows specific goals for the number of homeless, non-homeless, and special needs households that will be provided affordable housing during the 2017-18 program year. Also shown is the number of affordable housing units that will be provided with CDBG and HOME funds. Programs that will provide these units through CDBG are: the Homeowner Repair Program, the Code Enforcement Hardship Repair Program, and the Upper Floor Residential Rehab Program. Programs that will provide these units through HOME are: the Covington Homebuyer Assistance Program, the Northern Kentucky HOME Consortium Homebuyer Assistance Program, and CHDO development projects.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	119
Special-Needs	0
Total	119

Table 6 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	12
Rehab of Existing Units	27
Acquisition of Existing Units	80
Total	119

Table 7 - One Year Goals for Affordable Housing by Support Type

Discussion

The CDBG Code Enforcement Hardship Program will assist the rehab of 7 units.

The CDBG Homeowner Repair Program will assist the rehab of 20 units.

The CDBG Upper Floor Residential Rehab Program will assist the rehab of 5 units.

The Covington and NKY HOME Consortium Homebuyer Assistance Programs will assist in the acquisition of 80 existing units.

Housing Opportunities of Northern Kentucky (HONK), Center for Great Neighborhoods (CGN) and Entryway, Inc. serve as CHDOs for Covington and the HOME Consortium. These organizations will utilize our CHDO set-aside funds for projects within the boundaries of the Consortium. CHDO set-aside funds will create 7 new or rehabbed units. They are primarily homeownership but they may be lease-purchase projects.

AP-60 Public Housing - 91.420, 91.220(h)

Introduction

The Housing Authority of Covington (HAC) manages and maintains over 800 units located in 2 family sites, Latonia Terrace and City Heights, one exclusively elderly building, Golden Towers and various scattered sites (Academy Flats, ESR I, ESR II, ESR III, Emery Drive, and New Site Properties). HAC also administers public housing new construction, rehabilitation and modernization activities, and home ownership opportunity programs.

The Community Housing Resource Group is a joint effort, formed through a Consortium, between the City of Covington and the Housing Authority of Covington to administer the Section 8 Housing Choice Voucher Program. Section 8 assists low and very low-income families, the elderly and disabled to afford decent, safe and sanitary housing in the private market.

Actions planned during the next year to address the needs to public housing

To address the continued need for public, affordable housing the Housing Authority of Covington and the City of Covington will continue to implement public housing programs and Section 8 Voucher assistance programs respectively. Both agencies have many families on their respective waiting lists (578 public housing, 5,265 Section 8) indicating the continued shortage of available, affordable rental housing. New families will be brought into the programs as soon as public housing units or Section 8 vouchers become available.

There will be initiatives to improve public housing facilities including building and infrastructure improvements, security installations and upgrades. There will be expansion of homeownership and resident self-sufficiency programs for public housing and section 8 families.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The Housing Authority of Covington's Resident Services Department provides leadership and program support for Covington Public Housing programs. The Housing Authority of Covington's Resident Services Department is funded through both federal and private grants. The mission of the Housing Authority of Covington is to break the cycle of generational poverty and foster economic self-sufficiency among residents living and/or being served by Covington Public Housing programs. The Housing Authority of Covington's objectives of its Resident Services Department are to provide quality programming, as well as resources, to low income families to address the barriers to economic self-sufficiency.

The Housing Authority of Covington collaborates with many community organizations to serve the public housing resident population.

The City of Covington Section 8 Department administers a Family Self-Sufficiency Program to assist Section 8 families to work towards economic self-sufficiency and also administers a Section 8 to Homeownership Program. This program allows Section 8 families to use their Housing Choice Vouchers towards the purchase of a home rather than rent.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

The PHA is not designated as troubled.

Discussion

AP-65 Homeless and Other Special Needs Activities - 91.420, 91.220(i)

Introduction

The City of Covington does not directly fund homeless programs or activities with HOME or CDBG funds. The City will continue to support and work with local homeless service providers and the Region III Continuum of Care to address the needs of homeless members of the community. The Region III Continuum of Care's goal is to end homelessness through support programs, rapid re-housing and permanent housing opportunities. The Continuum of Care developed a Ten Year Plan to End Chronic Homelessness in 2008. The City of Covington and Northern Kentucky HOME Consortium understand the detrimental impact that homelessness can have on our residents and are committed to working with our local organizations, the NKADD, the Kentucky Housing Corporation and HUD to develop a comprehensive, coordinated approach to ending chronic homelessness. Covington Mayor Sherry Carran signed on to HUD's Mayor's Challenge to End Veteran Homelessness in 2014.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City will continue to support the Continuum of Care and the local the local agencies that offer homeless support services. These agencies include Welcome House of Northern KY who administers the GAPS (Gaining Access through Programs and Services) Program, NorthKey and Transitions, Inc. who administer multiple homeless programs. The GAPS Program is a supportive services program that offers needs assessments, case management, child care, educational services, food and life skills all with the goal moving homeless people to permanent housing. NorthKey and Transitions also provide supportive services and case management to the homeless population.

Addressing the emergency shelter and transitional housing needs of homeless persons

Transitions, Inc. operates programs that provide transitional housing with intensive case management, outreach, employment services, psychiatric nursing services, mental health case management, and life skills assistance.

The NKY Emergency Cold Shelter offers emergency shelter during cold weather months to those in need.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Permanent housing for the homeless is a top priority for this region. The City will continue to support the efforts of the Continuum of Care and the local agencies that address these needs. These agencies include Welcome House of Northern KY, NorthKey and Transitions, Inc.

Welcome House's Gaining Access to Programs and Services program is a collaborative supportive services-only grant which serves homeless individual women and families with children that addresses complex, multiple needs through outreach and assessment, crisis intervention, coordination of services, collaborative effort to stabilize families and addresses factors contributing to homelessness. The funds pay for case management, housing counseling, life skills education, childcare, employment services, substance abuse treatment, transportation and housing assistance.

NorthKey Community Care operates a Rental Subsidy Program which is a permanent housing program for the homeless and disabled.

Transitions, Inc. provides permanent supportive housing to approximately 26 homeless individuals with disabilities at two sites in Covington. This is one of only a small number of projects classified as permanent housing for persons with disabilities.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The Region III Continuum of Care includes agencies that are working to reduce homelessness and to create programs to prevent homelessness. The City will continue to support these efforts.

Discussion

One year goals for the number of households to be provided housing through the use of HOPWA for:
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family
Tenant-based rental assistance
Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds
Total

AP-75 Barriers to affordable housing - 91.420, 91.220(j)

Introduction

Common barriers to affordable housing may be public policies or non-governmental conditions that hamper the development or rehabilitation of affordable housing. These conditions include land use controls, property taxes, state prevailing wage requirements, environmental protection, cost of land and availability of monetary resources.

The main barriers identified in the City of Covington are lack of affordable housing, housing affordability and lack of resources. The demand for affordable housing exceeds the current supply. HUD defines “affordable housing” as when a household spends 30% or less of their household income on rent and utilities. In the City of Covington, approximately 53% of renting households spend more than 30% of their income on rent and utilities. Insufficient resources are available to increase the availability of affordable housing.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The HOME Consortium cities promote the placement of new and rehabilitated housing for lower-income households in a wide spectrum of neighborhoods. The zoning ordinances and other land use policies do not appear to significantly impact the provision of lower-income housing. Other than in the southern section of Covington, zoning subdivision, and other requirements do not restrict the level of density required for low- and moderate- income housing, or the location of facilities for persons with disabilities. Covington has adopted the Kentucky Building Code in its entirety. The Kentucky Building Code is based upon the BOCA National Building Code and incorporates an accessibility provision.

The City will continue to educate the public and city leaders regarding barriers to affordable housing through outreach efforts with its partner organizations.

Discussion

To address the lack of affordable housing and housing affordability, the City will invest 2017-2018 CDBG and HOME funds into homeowner rehabilitation programs, homebuyer assistance programs for low-income homebuyers, development of affordable homeownership units and development of affordable rental units. These activities will increase the supply of affordable housing and preserve existing affordable housing in the City.

AP-85 Other Actions - 91.420, 91.220(k)

Introduction

Described below are the city's planned actions to carry out the following strategies outlined in the Consolidated Plan.

Actions planned to address obstacles to meeting underserved needs

Obstacles to meeting underserved needs have been identified. These obstacles include: the lack of adequate financial resources, the need for increased supportive services, the increasing cost of housing, the need to expand economic opportunities, the need to coordinate resources, and the need to inform households of available services.

Programs funded with CDBG and HOME will continue to try to address these underserved needs. Additional funding sources will be utilized as available from the public and private sector. CDBG and HOME funds will be leveraged with other funding sources. Programs will be implemented to provide public services and to increase affordable housing and economic opportunities. There will be additional coordination of resources and outreach will be expanded to ensure that the public is aware of available resources and programs.

To address underserved needs, all CDBG and HOME investments for program year 2017-2018, except for CDBG acquisition to remove slum/blight, will directly benefit low- and moderate-income people.

Actions planned to foster and maintain affordable housing

In the implementation of the 2017-2018 Annual Action Plan, the City will invest HOME funds to increase affordable housing opportunities by assisting low-income homebuyers through the Homebuyer Assistance Programs and CHDO development activities. CDBG funds will be used for Housing Development Activities to develop affordable housing units.

CDBG funds will also be used to maintain affordable housing through homeowner rehab and repair programs. The City will refer homeowners who cannot be assisted with CDBG funded programs to other home repair programs i.e. People Working Cooperatively. The City will also search for additional homeowner rehab funding sources i.e. the Federal Home Loan Bank of Cincinnati that may leverage existing CDBG funding.

The City will partner with local HUD approved homeowner counseling agencies to assist with foreclosure prevention and pre-purchase counseling.

Actions planned to reduce lead-based paint hazards

The City of Covington will comply with HUD's Lead Safe Housing Rule by strictly adhering to the City's implemented Lead Based Paint Policy as follows:

All homes that were built pre-1978:

Homebuyer Program – A visual assessment is performed to identify any deteriorated paint at or in excess of de-minimis standards and notification of the results are passed to homebuyer. Paint stabilization utilizing safe work practices by a RRP Certified Contractor is required for paint deterioration above de-minimis followed by obtainment of Clearance testing.

Rehabilitation Program – A visual assessment is performed to identify any deteriorated paint at or in excess of de-minimis standards and notification of the results are passed to homeowner. Additional steps are outlined below as

it pertains to funding amount. (Funding amount is per unit rehabilitation hard costs and do not include costs of lead hazard evaluation and reduction.)

\$0.00 - \$5,000.00 “Do no harm” approach. Lead safety requirements cover only the surfaces being disturbed. Presume surfaces contain lead-based paint. Work which disturbs painted surfaces presumed to contain lead-based paint is done using lead safe work practices by a RRP Certified Contractor and clearance of the worksite is performed at the end of the job (unless it is a very small “de minimis” scale project) to ensure that no lead dust hazards remain in the work area.

\$5,001.00 - \$25,000.00 Identify and control lead hazards. Identify all lead hazards by performing a lead-based paint risk assessment. RRP Certified Contractors must control the hazards using interim controls and clearance of the worksite is performed at the end of the job to ensure that no lead dust hazards remain in the work area.

\$25,001.00 or more Identify and abate lead hazards. Identify all lead hazards at the property by performing a risk assessment and then abate all the hazards. This approach requires certified abatement contractors perform the abatement part of the job and clearance of the worksite is performed at the end of the job to ensure that no lead dust hazards remain in the work area.

This policy is not applicable to homes that were built in 1978 or after.

Actions planned to reduce the number of poverty-level families

Programs funded with CDBG and HOME provide homeowner rehabilitation and repairs, new construction of rental and homeowner units and down payment assistance for income-eligible homebuyers. These activities, that produce and preserve affordable housing, are important in reducing the number of poverty-level families in the city. Using CDBG funding, city programs also support activities that provide public services and recreational activities.

Section 8 agencies in Kenton and Campbell Counties administer Family Self-Sufficiency Programs and Section 8 to Homeownership Programs to guide Section 8 families on a path of financial stability.

The city implements the federally required Section 3 program, where applicable, to ensure that employment or contracting opportunities generated by HUD funded projects give preference to qualified low- and very-low income persons or business concerns.

Actions planned to develop institutional structure

CDBG and HOME funds are administered through the Department of Development (DOD). The DOD oversees the management and expenditure of these funds with assistance from the City's Finance Department. Functions of the department include planning and policy-making, program administration, management of grants/loans and monitoring. The DOD also manages the implementation of all activities funded by the CDBG and HOME Programs.

The City of Covington is a HOME participation jurisdiction and is the lead entity of the Northern Kentucky HOME Consortium. The Consortium includes Covington and the cities of Ludlow, Newport, Bellevue and Dayton. There is a Governing Board with one representative from each municipality serving as a voting member. This representative is the Mayor or his/her designee. This Board establishes all policies and procedures, determines funding allocations, controls all activities and will instruct Covington during implementation of the program in accordance with the Bylaws. However, Covington, as the lead entity, ultimately approves all funding decisions.

There is also an extensive structure of other agencies, non-profit and for-profit developers, educational institutions, neighborhood and community organizations, non-profit funders, affordable housing developers, business, economic

development and workforce development organizations, lenders, private funders and healthcare providers that work towards implementing the goals of the Consolidated Plan.

The City realigned staff to ensure clear roles and responsibilities and will continue to update the procedures to monitor all HOME and CDBG programs and activities internally and externally to ensure program effectiveness and efficiency. All individual activity files will be monitored by the Community Development Manager to ensure compliance with all program rules and regulations. This includes homeowner rehab programs, homebuyer programs, recreation programs, public facilities and improvements, business retention programs, crime prevention efforts, code enforcement and any other activities funded in whole or in part with HOME or CDBG. An onsite monitoring schedule will be created for all external monitoring requirements i.e. CHDO annual monitoring and past projects funded with CDBG or HOME that require ongoing monitoring. External monitoring will be conducted by the Community Development Manager and/or the CDBG-HOME Program Coordinator. No CDBG or HOME funds are released for any project or activity without prior review by the Community Development Manager.

Actions planned to enhance coordination between public and private housing and social service agencies

There are a number of ongoing collaborative efforts in the community. The City maintains communications and a cooperative relationship with the following community based organizations: Covington Neighborhood Collaborative, Center for Great Neighborhoods of Covington, Housing Opportunities of Northern Kentucky, Entryway, Inc., the United Way, the Catalytic Development Fund of Northern Kentucky, the Life Learning Center, Vision 2015, Catholic Charities of Northern Kentucky, The Brighton Center, The Welcome House, the Covington Human Rights Commission, real estate professionals and lenders.

The City will continue to foster and expand these cooperative efforts to further the goals of the Consolidated Plan.

Discussion

Program Specific Requirements

AP-90 Program Specific Requirements - 91.420, 91.220(I)(1,2,4)

Introduction

The following are the program specific requirements for the Annual Action Plan (ALL amounts are currently estimates).

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	75,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	25,000
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	100,000

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	90.00%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(l)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

Covington/NKY HOME Consortium will only utilize HOME entitlement funds for eligible activities within 92.205. Other forms of investments are private lender mortgage funds and homebuyer contributions.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The City of Covington provides HOME Program funds to create affordable housing units and assist income eligible families with the purchase of a home. The following Recapture Policy ensures that the city recoups all or a portion of the HOME assistance paid to the homebuyers in the event that the assisted housing does not continue to be the principal residence of the family through the duration of the affordability period. The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to purchase the dwelling unit. This includes any HOME assistance that reduced the purchase price from the fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value of the property (the development subsidy). Covington does not use the re-sale provision for HOME homebuyer projects.

The following minimum affordable periods will be imposed on all HOME funded homebuyer activities based on the level of funding provided:

- Under \$15,000 – 5 years
- \$15,000-\$40,000 – 10 years
- Over \$40,000 – 15 years

To ensure recapture, the City will execute a HOME program agreement, a promissory note and a mortgage. The borrower agrees to remain in the property as the principal place of residence for a period of no less than the minimum required period of affordability from the date of the execution of the agreements. If the property is sold or the borrower does not reside in the premises for the required minimum period of affordability, the outstanding principal balance shall immediately become due and payable (recapture provision) as outlined in the Promissory Note.

The HOME mortgage is recorded on the property for the term of the agreement. HOME funds are provided to homebuyers in the form of interest-free, deferred-forgivable loans. The loan balance is repaid in a lump sum upon the sale, transfer or vacating of the property.

When the recapture provision is triggered by a sale (voluntary or involuntary) of the housing unit, and there are no net proceeds or the net proceeds are insufficient to repay the HOME investment due, the City will only recapture the net proceeds, if any. "Net proceeds" is defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

See above description.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

Not applicable.

Discussion